

House Engrossed Senate Bill

State of Arizona
Senate
Forty-sixth Legislature
First Regular Session
2003

CHAPTER 220

SENATE BILL 1231

AN ACT

AMENDING SECTIONS 48-1907 AND 48-1910, ARIZONA REVISED STATUTES; RELATING TO
HOSPITAL DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-1907, Arizona Revised Statutes, is amended to
3 read:

4 48-1907. Powers of hospital district

5 A. A hospital district may:

6 1. Adopt and use a corporate seal.

7 2. Sue and be sued in all courts and places and in all actions and
8 proceedings whatever.

9 3. Purchase, receive, have, take, hold, lease, use and enjoy property
10 of every kind and description within the limits of the district, and control,
11 dispose of, convey, encumber and create leasehold interests in such property
12 for the benefit of the district.

13 4. Administer trusts declared or created for the hospital district,
14 and receive by gift, devise or bequest and hold in trust or otherwise,
15 property located within the state or elsewhere and, when not otherwise
16 provided, dispose of such property for the benefit of the hospital district.

17 5. Provide for the operation and maintenance at a single location
18 within the district of a hospital, urgent care center, combined hospital and
19 ambulance service or combined urgent care center and ambulance service owned
20 or operated by the district. If the hospital district provides for the
21 operation of an ambulance service, ambulance services shall be provided to
22 all areas within the district. AN EXISTING HOSPITAL DISTRICT LOCATED IN A
23 COUNTY WITH A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND PERSONS OPERATING
24 AT A SINGLE LOCATION MAY EXPAND TO A SECOND LOCATION IF THE BOARD OF
25 DIRECTORS OF THE HOSPITAL DISTRICT FINDS AT A PUBLIC HEARING ON THE MATTER
26 THAT AN ADDITIONAL LOCATION IS REASONABLY NECESSARY FOR THE PERSONS SERVED
27 BY THE DISTRICT.

28 6. Impose a secondary property tax on all taxable property within the
29 district for the purpose of funding the operation and maintenance of a
30 hospital, urgent care center, combined hospital and ambulance service or
31 combined urgent care center and ambulance service that is owned or operated
32 by the district or to pay costs of an ambulance service contract entered into
33 pursuant to this section. The amount of the levy necessary for the operation
34 and maintenance of the ambulance service, if any, shall be separately stated
35 in the levy. Prior to the initial imposition of such a tax a majority of the
36 qualified electors voting in a regular or special election must approve such
37 initial imposition. The continued imposition of such a tax must be approved
38 by a majority of the qualified electors voting in a regular or special
39 election at least every five years from the date of the initial imposition.

40 7. Contract with an existing hospital, ambulance service, city, town
41 or fire district within the district to provide ambulance related
42 services. If the district does contract for ambulance services, the district
43 shall ensure that ambulance services are provided to all areas within the
44 district. No such contract may provide for the use of aircraft.

1 B. The amount of a levy under subsection A, paragraph 6 shall not
2 exceed the greater of:

3 1. Six hundred thousand dollars, adjusted annually from a 1989 base
4 year according to the health services component of the metropolitan Phoenix
5 consumer price index published by the bureau of business and economic
6 research, college of business administration, Arizona state university, or
7 its successor.

8 2. Ten per cent of the hospital's or urgent care center's total
9 expenses for all purposes required or authorized by this chapter and incurred
10 in the fiscal year ending immediately before the levy.

11 C. An existing hospital may be converted into an urgent care center
12 by a vote of the board of directors of the district if the conversion is in
13 the best interests of the district. ~~However,~~ An existing urgent care center
14 shall not be converted into a hospital unless the hospital district is
15 created pursuant to section 48-261 and this chapter.

16 Sec. 2. Section 48-1910, Arizona Revised Statutes, is amended to read:
17 48-1910. Powers of board of directors; transaction privilege

18 tax; election

19 A. The board of directors may purchase surgical instruments, hospital
20 equipment, ambulance equipment and other property and supplies necessary for
21 equipping a hospital, urgent care center, combined hospital and ambulance
22 service or combined urgent care center and ambulance service, except that the
23 board shall not purchase, rent or contract for the use of aircraft. The
24 board may purchase real property, and erect or rent and equip buildings or
25 rooms necessary for the hospital, urgent care center, combined hospital and
26 ambulance service or combined urgent care center and ambulance service.

27 B. The board of directors shall lease the hospital as provided by
28 section 48-1911, provided however that after all bonded indebtedness of the
29 district has been paid the board of directors may lease the hospital and its
30 equipment to any person or corporation for the purpose of conducting a health
31 care facility upon such terms and conditions as the board of directors of the
32 district deems to be beneficial to the hospital district.

33 C. FOR A HOSPITAL DISTRICT WITH BOUNDARIES THAT ARE COTERMINOUS WITH
34 A COUNTY'S BOUNDARIES, THAT IS LOCATED IN A COUNTY WITH A POPULATION OF LESS
35 THAN FORTY-FIVE THOUSAND PERSONS AND IN WHICH NO MORE THAN SIX PER CENT OF
36 THE REAL PROPERTY BY AREA IN THAT COUNTY IS SUBJECT TO TAXATION, THE BOARD
37 OF DIRECTORS MAY REQUEST THAT THE BOARD OF SUPERVISORS PLACE THE QUESTION OF
38 A LEVY OF A TRANSACTION PRIVILEGE TAX TO SUPPORT THE DISTRICT ON THE NEXT
39 BALLOT FOR A COUNTYWIDE ELECTION. ON THE REQUEST OF THE BOARD OF DIRECTORS,
40 THE COUNTY BOARD OF SUPERVISORS MAY CALL A SPECIAL ELECTION ON THE QUESTION
41 OF A LEVY OF TRANSACTION PRIVILEGE TAX OR MAY PLACE THE QUESTION ON THE
42 BALLOT FOR THE NEXT REGULAR COUNTYWIDE ELECTION. THE QUESTION SHALL INCLUDE
43 THE RATE OF THE TRANSACTION PRIVILEGE TAX. THE RATE OF THE TRANSACTION
44 PRIVILEGE TAX SHALL NOT BE MORE THAN TEN PER CENT OF THE TRANSACTION
45 PRIVILEGE TAX RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A, APPLYING, AS

1 OF JANUARY 1, 1990, TO EACH PERSON ENGAGING IN OR CONTINUING IN THE DISTRICT
2 IN A BUSINESS TAXED UNDER TITLE 42, CHAPTER 5, ARTICLE 1. IF A HOSPITAL
3 DISTRICT ALREADY HAS A PROPERTY TAX PURSUANT TO SECTION 48-1907, SUBSECTION
4 A, PARAGRAPH 6, THE QUESTION SHALL REQUIRE THAT THE PROPERTY TAX BE REPEALED
5 ON THE IMPOSITION OF A TRANSACTION PRIVILEGE TAX. ON APPROVAL BY A MAJORITY
6 OF THOSE PERSONS VOTING ON THE QUESTION, THE COUNTY BOARD OF SUPERVISORS
7 SHALL LEVY AND THE DEPARTMENT OF REVENUE SHALL COLLECT A TRANSACTION
8 PRIVILEGE TAX PURSUANT TO THIS SECTION TO BE USED AND SPENT FOR THE PURPOSES
9 DESCRIBED IN THIS CHAPTER. THE INITIAL LEVY OF THE TAX SHALL BE FOR A PERIOD
10 OF UP TO FIVE YEARS AND MAY BE RENEWED BY A SUBSEQUENT VOTE OF THE COUNTY'S
11 QUALIFIED ELECTORS FOR ADDITIONAL PERIODS OF FIVE YEARS. EACH MONTH THE
12 STATE TREASURER SHALL REMIT TO THE COUNTY TREASURER THE NET REVENUES
13 COLLECTED PURSUANT TO THIS SUBSECTION DURING THE SECOND PRECEDING MONTH. THE
14 COUNTY TREASURER SHALL REMIT THE MONIES TO THE HOSPITAL DISTRICT TREASURER
15 WHO SHALL DEPOSIT THE MONIES IN THE DISTRICT'S GENERAL FUND.
16 D. A HOSPITAL DISTRICT SHALL NOT LEVY A TRANSACTION PRIVILEGE TAX AT
17 THE SAME TIME THAT IT IS IMPOSING A SECONDARY PROPERTY TAX PURSUANT TO
18 SECTION 48-1907.

APPROVED BY THE GOVERNOR MAY 14, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 15, 2003.

12 Nays, 0 Not Voting

by the following vote: 27 Ayes,

2 Nays, 1 Not Voting

Pro Tempore
Norman L. Moore
Chief Clerk of the House

Norma Chastain
Asst. Secretary of the Senate

Secretary of State

S.B. 1231

SENATE CONCURS IN HOUSE AMENDMENTS
AND FINAL PASSAGE

Passed the Senate May 8, 2003,

by the following vote: 23 Ayes,

6 Nays, 1 Not Voting

Klu Plunett
President of the Senate
Channing B. Bunting
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

8 day of May, 2003

at 11:45 o'clock A M.

Sandra Ramsey
Secretary to the Governor

Approved this 14 day of

May, 2003,

at 4⁰⁰ o'clock P. M.

Jan. 15
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 15 day of May, 2003,

at 1:55 o'clock P. M.

Janice H. Brown
Secretary of State

S.B. 1231